Government are glad to notice that the District Board of Mysore sanctioned a sum of Rs. 200 for starting an Avenue and Fodder Nursery at Daria Daulat Bagh during the year under review.

4. *Nandi Hill Station.*—The Nandi Hill Station continued to grow in popularity; and the number of visitors increased from 592 in 1925-26 to 664 during the year under review. Among the distinguished visitors from outside, special mention may be made of the visit of Mahatma Gandhi and of his stay on the hills for a little over two months.

Considerable improvements were effected on the Hill Station for the convenience and comfort of visitors. The establishment of the Nandi Hill Station was revised in Government Order No. I. C. 837-8—A. & E. 301-25-5, dated 3rd August 1926. The total receipts of the Hill Station amounted to Rs. 3,334-15-10 as against an expenditure of Rs. 10,999-12-6.

5. *General.*—The work of the department during the year under review continued to be satisfactory.

N. RAMA RAO,
Secretary to Government,
Development Departments.

Report of the Working of the Department of Industries and Commerce.

READ—

The Administration Report on the Working of the Department of Industries and Commerce during the year 1926-27, received with letter No. Per. 1-27, dated 6th November 1927, from the Director of Industries and Commerce in Mysore, Bangalore.

ORDER No. D. 7793—I. & C. 166-27-3, DATED 26TH JANUARY 1928.

Recorded.

2. *General Industrial Position.*—The Director proposes to publish a review containing a comprehensive survey of the general industrial position in the State and states that he has collected statistical materials for the purpose. This publication will serve a very useful object; the Director is requested to arrange for its early issue.

3. *Assistance to Private Enterprise.*—During the year the Department helped in the erection of 46 industrial installations by private enterprise, involving the investment of capital to the extent of Rs. 2,85,700. Including 18 applications pending at the close of the previous year there were 85 applications for financial aid under the Industrial Loans Rules. Of these 33 applications involving a sum of Rs. 72,286-10-0 were sanctioned; 32 applications were either rejected or withdrawn, leaving 20 applications pending disposal at the close of the year under review.

The total amount advanced from the time the system of Industrial Loans was introduced up to the end of June 1927, was Rs. 11,47,832-15-10 out of which Rs. 7,05,535-15-7 have been recovered, and Rs. 13,794-11-10 written off as irrecoverable. A sum of Rs. 1,39,589-4-2 has been recovered towards interest. Of the balance of Rs. 4,28,502-4-5 outstanding a sum of Rs. 2,21,458-9-6 had not fallen due for repayment before the close of the year.

The Director reports that since 1924-25 more of private capital is being invested in enterprise receiving financial help from Government. This is an encouraging feature which, it is hoped, will be maintained in future.

The Director is requested to mention in the future annual reports, the number of new industrial installations erected as compared with the number erected in each of the two previous years, to indicate the course of development under the different kinds of plants.

In the course of his report, the Director has drawn attention to the fact that only about 70 per cent of installations, started with the aid of Government, are now in working order and that the rest have failed for one reason or another. The Director has investigated the causes of failure in such cases and Government hope that the experience gained in the past will prove of value in eliminating chances of failure in future undertakings.

The outstandings at the close of the year were heavy, but it is satisfactory that the Director has made a complete enquiry into all cases of outstanding loans, with a view to take suitable action warranted by the circumstances of each case. Each case should be pursued with all possible expedition till a final decision is obtained. The Director considers that a part of the outstanding loans may prove to be irrecoverable.

Every effort should be made to minimise the amount to be written off. Government hope that with greater discrimination in the selection of industrial enterprises to be undertaken and with larger attraction of private capital into business, there will be less need for direct financial aid by Government and that occasions for writing off loans or foregoing interest will be comparatively rare in future.

4. *Management of Government Industrial Concerns.*—All the concerns run by the Department worked at a loss with the exception of the Government Soap Factory. Government note that the Director is taking steps to remedy the defects responsible for the unsatisfactory working of the concerns. It is satisfactory that the Manufacturing and Trading and Profit and Loss Accounts and Balance Sheets of the concerns have been appended to the report. The introduction of a better system of Cost Accounts, the disposal of accumulated stocks the writing down of other assets should to a large extent remedy the present defects and Government hope that there will be an improvement in the future financial position of these concerns as anticipated by the Director.

All these concerns are not only engaged in the work of manufacture but also in affording training to young men taken as apprentices. The training sections should, as far as possible, be separated from the manufacturing branches, so that the results of the working of the purely commercial parts of the concerns may be clearly brought out. Government have recently in their Order No. D. 6984-5—I. & C. 242-27-1, dated 5th January 1928, enunciated certain principles for affording these concerns some latitude in employing a part of the profits made by them for the expansion of their business.

Central Industrial Workshop.—It is satisfactory to note that the Workshop executed some important work orders including a filter press for a firm in the Vizagapatam District, transmission machinery and steel trusses for the Mysore Match Manufacturing Company at Shimoga and sluice shutters and operating mechanism for the Hydro Electric Works at Sivasamudram. It is reported that an improved sugar-cane mill has been made and that its working has yielded satisfactory results.

In Government Order No. D. 10648-51—I. & C. 362-26-7, dated 31st May 1927, Government have sanctioned the amalgamation of the workshops of the Military and Electrical Departments with the Central Industrial Workshop and the amalgamation has resulted in a material reduction of overhead charges. With this advantage and with the increased volume of work handled by the combined concern its future financial position should be satisfactory. As regards the outstandings, the Director is requested to take prompt and vigorous action to collect them. Endeavours should also be made to execute in the workshop, as far as possible, all works which are required for Government Department.

Government Art Workshop.—The output and sales of this concern were better than in the previous year, though the net result of its working was a loss. The Director reports that arrangements have been made to produce a class of goods more acceptable to the market and to train apprentices in making such articles. It is essential that endeavours should be made to economise the cost of production of such articles and to bring their prices within the reach of the buying public and to improve the financial position of the concern.

Government Weaving Factory.—Government observe that the working of this concern has not been satisfactory for a number of years. The training section should be separated from the manufacturing branch and the attention of the latter devoted to the popularisation of new processes, appliances and patterns, limiting production of goods to the minimum necessary for the attainment of these objects. Government consider that in view of the fact that weaving is after agriculture perhaps the most important occupation of the people in the State, special efforts are needed to introduce improved methods and appliances for weaving in the districts. Government have under consideration proposals for the revival of District demonstration parties for the popularisation of improved machinery.

Demonstration parties were employed for encouraging hand spinning and weaving of the yarn produced as subsidiary occupations in rural parts. With the same object in view Government have recently sanctioned an experimental spinning station at Badanaval village in the Nanjangud Taluk, to serve a tract where the production

of home spun had long been known and practised by the people. Government trust that with the help and guidance given by the All India Spinners' Association, the Department will be able to make the scheme a success and to give extended application to the experience gained.

District Workshops.—It is satisfactory to note that District Workshops are gaining in popularity. The Director is requested to consider how best the efficiency of the existing workshops might be improved and which other places, in view of their industrial activities, require to be provided with workshops.

Well Boring Section.—The employment of boring sets and drills for the provision of drinking water and, if possible, of water for irrigational purposes is still in its initial stage. The experience of its working in other parts of India would seem to point to the fact that this method of sinking wells is, under certain conditions, full of potentialities. Government have recently sanctioned the purchase of a Calyx Drill suited for work in the dry districts of the State and proposals are under consideration for provision of additional equipment for this important work and for adopting a regular programme of well sinking work in all the Districts.

5. *Special Schemes.*—Proposals for the manufacture of Alkali (by the Electrolytic process) are under consideration. The Director is requested to furnish additional information called for, on his proposals for the manufacture of sulphuric acid. He is requested to report at an early date the measures to be adopted for improving the conditions relating to cardamom trade.

6. *Minor and Cottage Industries.*—A detailed survey of the conditions of the existing minor and cottage industries is essential for deciding upon the lines on which attempts can be made to improve them. The Director is requested to have the survey carried out as promptly as possible on the lines settled, with the assistance of the District Economic Superintendents.

Industrial Education.—The working of the District Industrial Schools at Shimoga, Chikmagalur, Chitaldrug and Hassan and of the Trade Schools at Channapatna and Dodballapur has to be examined, with a view to ascertain what measures should be adopted to improve them and to extend their usefulness. It is under consideration accordingly to arrange for a special inspection of these institutions by a competent officer.

The Advisory Committee for the Chamarajendra Technical Institute has been reconstituted and under its guidance Government trust that further improvements will be effected in the working of the Institute as well as of the Government Art Workshop at Bangalore.

Trade.—Interesting statistics of the trend of trade under the different classes of articles have been furnished in the report. The Director is requested to mention in the future reports the reasons as far as they are ascertainable, for the variations in the volume and value of the more important exports and imports.

7. *Working of the Petroleum Regulation.*—Twenty-three licenses for the storage of non-dangerous petroleum and 48 for that of dangerous petroleum, two licenses for the transport of non-dangerous petroleum and 11 for that of dangerous petroleum were issued during the year, license fees being Rs. 2,547 as against Rs. 3,226 in the previous year. The question of allowing owners of motor vehicles to store dangerous petroleum up to 20 gallons without license, as in British India, is separately under consideration.

8. *Weights and Measures.*—In the Weights and Measures Regulation No. III of 1902 there was no provision for insisting on the use of only certified measures and weights and the law was accordingly amended during the year. Revised rules to be issued under the amended regulation are separately under the consideration of Government. It is proposed to introduce the scheme in the first instance in one of the City Municipalities and steps are being taken to provide an adequate supply of certified measures of capacity and to evolve a satisfactory organisation to work the rules with efficiency and smoothness. The seamless measures manufactured by the Mysore Premier Metal Factory have not come as largely into use as was expected, the reason being probably that cheaper, though less durable, measures are in the market.

9. *Labour.*—In Government Order No. 1267-1317—C. B. 84-26-2, dated 11th October 1926, the Director of Industries and Commerce was appointed as the Officer

to deal with questions relating to labour. Action have been taken for the early introduction of legislation for regulating the grant of compensation to workmen; the bill is under consideration by the Select Committee of the Legislative Council. The Director's proposals for the enactment of a law relating to the registration of Trade Unions for which there is no proper legislative provision at present are separately under consideration. Draft rules under the Factories Amendment Regulation No. VI of 1925, were published with Notification No. D. 5848—I. & C. 67-26-9, dated 22nd January 1927. The Director's proposals for the appointment of Inspectors and certifying surgeons to administer the Factory Law are also under consideration.

10. *General.*—In Government Order No. O. 7152-63—Seri. 92-26-1, dated 25th February 1927, the control of the Sericultural Department was transferred from the Director of Agriculture to the Director of Industries and Commerce as a stage has been reached in sericulture where problems of reeling and markets require greater attention than to those connected with expansion of mulberry.

The Report submitted by the Director gives a lucid account of the operations of the Department in the year under review and Government are glad to note that the difficult questions arising in the administration of the Department have on the whole received adequate attention, and that strenuous efforts are being made to rectify defects brought to light by experience.

N. RAMA RAO,
Secretary to Government,
Development Departments.

FINANCIAL SECRETARIAT.

Report on the Administration of the Excise Department.

READ—

Letter No. Ped. 19—26-27, dated 17—18th October 1927, from the Excise Commissioner in Mysore, forwarding the report on the Administration of the Excise Department for the year 1926-27.

ORDER NO. FL. 5942-52—Ex. 55-27-3, DATED 24TH JANUARY 1928.

Mr. B. Ramaswamaiya was in charge of the Department till 11th April 1927 and Mr. S. P. Rajagopalachari took charge of the Office of the Excise Commissioner on 12th April 1927.

2. *Administrative Changes.*—During the year under review there were no separate District Excise Officers in any of the Districts, the Revenue Sub-Division Officers being in charge of the excise work also. The Deputy Commissioner, Kadur District, was in charge of the excise work of the Chikmagalur and Mudgere Taluks from 25th November 1926, owing to the transfer elsewhere of the Probationary Assistant Commissioner who was till then in charge of those two Taluks. In view of the magnitude and complexity of excise work in the Districts of Bangalore and Kolar, the separate posts of the District Excise Officers were revived towards the close of the year.

3. The following were the other more important changes sanctioned during the year:—

(1) The rate of duty on ganja was enhanced from Rs. 20 to Rs. 22-8-0 per seer of 80 tolas with effect from 1st July 1927.

(2) The age limit of persons to whom liquor and drugs could be sold was raised from 16 to 18 years on the recommendation of some of the Excise Licensing Boards and the sale of liquor and drugs to women was prohibited with effect from 1st July 1927.

(3) Education cess at the rate of six pies in the rupee on certain items of excise revenue was ordered to be levied in the Kadur District with effect from 1st July 1927.

(4) Deputy Commissioners of Districts were empowered to sanction the remission of irrecoverable arrears of Excise Revenue up to a limit of Rs. 100 and also secret service expenditure up to Rs. 25.

(5) Two additional Excise Inspectors were sanctioned on a temporary basis for the formation of Mobile parties in the Districts of Shimoga and Kadur for the suppression of illicit distillation.

4. *Manufacture of Country Spirits.*—Mr. A. S. Ismail took over the manufacturing contract for three years of which this was the first year. The existing system of valuation of the stock and block of the Government Central Distillery at Bangalore at the time of each change in the Arrack Manufacturing contract for the same being purchased by the in-coming contractor from the out-going contractor is reported to be unsatisfactory and the question of revising the arrangement is under the consideration of Government. The Excise Commissioner brings to notice that Chikkere tank which supplies water to the Distillery is over-grown with weeds and lotus plants and that the surplus sewage water is allowed to flow into it. Early action should be taken to set the matter right in communication with the Public Works Department and the Bangalore City Municipality. Repairs to the installation of lights inside the Distillery premises which is reported to have gone out of order should have been attended to promptly. Separate metre for recording the